



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/480,724	01/07/2000	ROBERT CAREY	12640US01	4660

7590 06/07/2005

MCANDREWS HELD & MALLOY LTD
500 WEST MADISON STREET
34TH FLOOR
CHICAGO, IL 60606

EXAMINER

DASS, HARISH T

ART UNIT	PAPER NUMBER
----------	--------------

3628

DATE MAILED: 06/07/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/480,724

Applicant(s)

CAREY ET AL.

Examiner

Harish T Dass

Art Unit

3628

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 11 April 2005.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 20-39 and 42 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 20-39 and 42 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☐ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____

DETAILED ACTION

1. Applicant's request for reconsideration of the finality of the rejection of the last Office action, the finality of that action is withdrawn.

Claims 40-41 are canceled.

Claim Rejections - 35 USC § 112

2. The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

Claims 20-39 and 42 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention.

a). Claim 20 (PP3 2nd line) states a limitation "...where at least one steps of calculating, ranking and selecting is carried out by a computer." This limitation is not supported by the original specification. Referring to original specification page 4 lines 14-18, the only step performed by the computer is data input to stock database, not

Art Unit: 3628

calculating, ranking and selecting as stated in claim 20. The ranking steps are done in figure 1; however, specification is silent if the steps are done by computer.

b). The originally filed specification does not support claim 20. More specifically (page 6 line 22 to page 7 line 9) the disclosed invention selects securities by average rank of ranks calculated based on 4 criteria. However, claim 20 recites selecting securities based on any of the ranked criteria rather than an average of ranks based on 4 criteria.

For example, the following items are not understood: How security or securities is/are selected. The specification simply sorts the securities different (ascending/descending) ways only for three criteria and the original specification does not disclose how the security or securities is/are picked, therefore, any security can be picked up from any table despite its rank and relation to other tables/rankings or criteria. In other word, security "A" can be picked up from any table of any ranks with out any logical criteria or procedure.

DETAILED ACTION

Claim Rejections - 35 USC § 103

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 20-39 and 42 remain rejected under 35 U.S.C. 103(a) as being unpatentable over O'Shaughnessy U.S. Patent 6,317,726 in view of "India: Financial ratios: Making sense of the numbers, Businessline; Islamabad; Dec 26, 1999" (hereinafter Businessline).

Re. Claims 20 and 42, O'Shaughnessy substantially discloses the present invention where computer is used to analyze stock market historical database and evaluate how does capitalization affects stocks' (securities) performance and to select corporate stocks (securities) based on certain criteria, sorting (ranking) records to identify stocks (securities) which meet the criteria, and portfolio returns can be determined by number factors (price-to-earning ratio, etc) and their combinations, additionally, discloses computer-readable medium [see entire document particular - Abstract; Figures 1-17; C1 L15-L62; C2 L9-L15; C6 L36-L55; C9 L23-L26; C11 L15-L18; C12- L58-L65; claims], calculating price appreciation for each of said available securities [Abstract; C1 L29-L31; C9 L27-L32], calculating a price to cashflow ratio for each of said available securities [C1 L29-L31; C5 L19-L24; C10 L55-L56], ranking (sort) at least some of the available securities to form a group of ranked securities, said ranking comprising ranking according to said price appreciation to assign each of said available securities one or more separate price appreciation ranks, and ranking according to said price to cashflow ration to assign each of said available securities a separate price to cashflow rank "All value factors" (which suggests "return on assets ratio" included) [C1 L29-L31;

C9 L27-L31; C10 L55-L56; C14 L17-L19; C18 L12-L46; C15 Table 17-1, Tables 13A & 14], and selecting at least some of the ranked (sorted) securities to form a group of selected securities, wherein at least one of the steps of calculating, ranking, and selecting is carried out by a computer [Fig. 7; C9 L1 to C10 L62; C14 L17-L19].

O'Shaughnessy, does not explicitly disclose calculating a return on assets ratio for each of said available securities. However, Businessline discloses the step to find out the extent of profitability of scrip (securities) [entire article]. It would have been obvious to one of ordinary skill in the art at the time the Applicant's invention was made to combine the teaching of O'Shaughnessy and Businessline to pickup the best rated scrip (securities) in its peer group with highest evaluation with highest return.

Re. Claim 21, O'Shaughnessy discloses selection of 50 stocks, but explicitly, does not disclose wherein said group of available securities comprises 100 stocks of the Nasdaq 100 index. However, Nasdaq 100 index is well known and is not inventive step. It would have been obvious to one of ordinary skill in the art at the time the Applicant's invention was made to modify the teaching of O'Shaughnessy and include selection of securities comprises 100 stocks of the Nasdaq 100 index to provide enhanced diversification of securities basket.

Re. Claim 22, O'Shaughnessy substantially discloses averaging and sorting, ranking the available securities according to said price appreciation so that each of said available securities is assigned one or more ate price appreciation ranks [C1 L29-L31; C9 L27-

L31; C10 L55-L56; C14 L17-L19; C18 L12-L46; C15 Table 17-1, Tables 13A & 14], ranking the available securities according to said return on assets ratio (see "All value factors) so that each of said available securities is assigned a separate return on assets ratio rank [C1 L29-L31; C9 L27-L31; C10 L55-L56; C14 L17-L19; C18 L12-L46; C15 Table 17-1, Tables 13A & 14], ranking said available securities according to said price to cashflow ratio so that each of said available securities is assigned a separate price to cashflow rank [C1 L29-L31; C9 L27-L31; C10 L55-L56; C14 L17-L19; C18 L12-L46; C15 Table 17-1, Tables 13A & 14], and determining for each of said available securities an average rank comprising the average of the one or more separate price appreciation ranks, separate return on assets ratio rank and separate price to cashflow ratio rank for said security [abstract; C2 L9-L24; C3 Table 1; C13 L46-L47].

Re. Claim 23, O'Shaughnessy substantially discloses average and ranking, and wherein said calculating price appreciation comprises calculating a first rate of price appreciation over a first predetermined time period (one-year) and a second rate of price appreciation over a second predetermined time period (six month) different than said first predetermined time period, wherein said ranking the available securities according to said price appreciation comprises ranking the available securities according to said first rate so that each of said available securities is assigned a separate first rate rank and ranking the available securities according to said second rate so that each of said available securities is assigned a separate second rate rank and wherein said determining comprises determining for each of said available securities an average rank

comprising the average of the separate first rate rank, the separate second rate rank, the separate return on assets ratio rank (see "All value factors") and the separate price to cashflow ratio rank [see Re. claim 20 and C13 L31-L41; C1 L29-L31; C9 L27-L32; C5 L19-L24; C10 L55-L56; C9 L27-L31; C10 L55-L56; C14 L17-L19; C18 L12-L46].

Re. Claim 24, O'Shaughnessy substantially discloses sorting (ranking), wherein said ranking consists only ranking at least some of the available securities according to said price appreciation, said return on assets ratio and said price to cashflow ratio [C1 L29-L31; C9 L27-L31; C10 L55-L56; C14 L17-L19; C18 L12-L46; C15 Table 17-1, Tables 13A & 14].

Re. Claim 25, O'Shaughnessy discloses wherein said ranking comprises ranking at least some of the available securities according to capitalization of said available securities [Fig. 7; C1 L29-L31; C9 L27-L31; C10 L55-L56; C14 L17-L19; C18 L12-L46; C15 Table 17-1, Tables 13A & 14].

Re. Claim 26, O'Shaughnessy discloses wherein said selecting comprises selecting a predetermined number of said ranked securities [Fig. 7; C1 L29-L31; C9 L27-L31; C10 L55-L56; C14 L17-L19; C18 L12-L46; C15 Table 17-1, Tables 13A & 14].

Re. Claim 27, O'Shaughnessy discloses wherein said predetermined number is 15 or less [C2 L19; C15 L29].

Re. Claim 28, O'Shaughnessy discloses wherein said calculating price appreciation comprises calculating a first rate of price appreciation over a first predetermined time period [see Re. claims 20, 23 and C13 L31-L41; C1 L29-L31; C9 L27-L32; C5 L19-L24; C10 L55-L56; C9 L27-L31; C10 L55-L56; C14 L17-L19; C18 L12-L46].

Re. Claim 29, O'Shaughnessy discloses calculating a first rate of the price history of each of the available securities over said first time period [see Re. claim 28].

O'Shaughnessy, explicitly, does not disclose use of regression analysis. However, use of regression analysis is well known and is not an inventive step. It would have been obvious to one of ordinary skill in the art at the time the Applicant's invention was made to modify the teaching of O'Shaughnessy to use regression analysis to develop a statistical model to predict the values dependent variable based on value of at least one independent variable.

Re. Claim 30, O'Shaughnessy discloses wherein said calculating price appreciation further comprises calculating a second rate of price appreciation over a second predetermined time period different from said first predetermined time period [see Re. claims 20, 23 and C13 L31-L41; C1 L29-L31; C9 L27-L32; C5 L19-L24; C10 L55-L56; C9 L27-L31; C10 L55-L56; C14 L17-L19; C18 L12-L46].

Re. Claims 31 and 32, they are rejected on the same rationale of claim 29.

Re. Claim 33, O'Shaughnessy discloses purchasing at least some of said group of selected securities to form a group of purchased securities [C15 L29]

Re. Claim 34, O'Shaughnessy discloses wherein said purchased securities are weighted by market capitalization [C3 L19-L34].

Re. Claim 35, O'Shaughnessy discloses wherein said method further includes creating a unit investment trust (S&P 500 which is a trust and holds a portfolio of securities) comprising said purchased securities [Abstract; C2 L9-L20].

Re. Claim 36, O'Shaughnessy discloses wherein said unit investment trust has a life of 13 months or more [C2 L43-L61].

Re. Claims 37-39, O'Shaughnessy discloses wherein said method further includes creating a pooled investment vehicle (stocks) comprising said purchased securities. However, O'Shaughnessy explicitly does not disclose variable annuity and investment accounts. These investment vehicles such as pensions account (IRA), insurance, mutual fund account, etc are well known investment vehicles. It would have been obvious to one of ordinary skill in the art at the time the Applicant's invention was made to modify the teaching of O'Shaughnessy and include purchasing annuity and creating

investor accounts to diversify and pool additional investment (pool) to increase market capitalization.

Response to Arguments

4. In response to applicant's argument that there is no suggestion to combine the references, the examiner recognizes that obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. See *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988) and *In re Jones*, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992). In this case, profitability is the motivation (see page 1 2nd paragraph).

In response to applicant's argument that O'Shaughnessy does not rank price to cashflow ratio. O'Shaughnessy teaches ranking (sorting), which compares two line of records and list them as the user want. Naturally, sort the securities first to select per his criteria.

Applicant's arguments with respect to pending claims have been considered but are moot in view of the new ground(s) of rejection.

Conclusion

5. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP

Art Unit: 3628

§ 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Harish T Dass whose telephone number is 571-272-6793. The examiner can normally be reached on 8:00 AM to 4:50 PM.

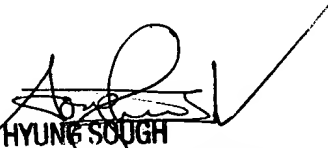
If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hyung S Sough can be reached on 571-272-6799. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Art Unit: 3628

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Harish T Dass
Examiner
Art Unit 3628

5/16/05


HYUNG SOUGH
SUPERVISORY PATENT EXAMINER
TECHNOLOGY CENTER 3600